

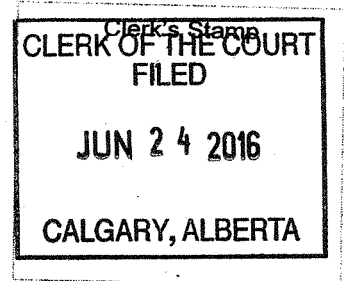
Form 49
[Rule 13.19]

COURT FILE NUMBER 1601 06765

COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

PLAINTIFF(S) **IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC 1985, c. C-36, as amended**

AND IN THE MATTER OF ENDURANCE ENERGY LTD.



DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Thornton Grout Finnigan LLP
100 Wellington Street West, Suite 3200
Toronto, Ontario M5K 1K7
CANADA

Phone: (416) 304-1616
Fax: (416) 304-1313

Attention: Robert I. Thornton / Leanne Williams / Rachel Bengino
File No: 1751-001

SUPPLEMENTARY AFFIDAVIT OF STEVEN VANSICKLE

Sworn (or Affirmed) on June 24, 2016

I, Steven VanSickle, of Calgary, Alberta, SWEAR/AFFIRM AND SAY THAT:

- I am the President and Chief Executive Officer of Endurance Energy Ltd. ("**Endurance**" or the "**Company**"). Through my involvement with the Company, I have knowledge of the matters to which I hereinafter depose. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe such information to be true.

2. I have previously sworn two Affidavits in these proceedings on May 30, 2016 (the “**Initial VanSickle Affidavit**”) and a second Affidavit on June 6, 2016 (the “**Second VanSickle Affidavit**”) and together with the Initial VanSickle Affidavit, the “**Prior VanSickle Affidavits**”). Capitalized terms not otherwise defined herein have the same meaning as in the Prior VanSickle Affidavits or in the Initial Order granted on May 30, 2016 (the “**Initial Order**”).

RELIEF REQUESTED

3. The Initial Order stayed all proceedings against the Company until June 29, 2016 (the “**Stay Period**”). This Affidavit is sworn in support of an application by the Company for an Order extending the Stay Period from June 29, 2016 to August 5, 2016 (the “**Stay Extension Period**”).

STAY EXTENSION

4. The Company has continued to operate its business in the normal course with the benefit of the stay of proceedings which has provided stability to the business. The Company has acted, and is continuing to act, in good faith and with due diligence in these proceedings.
5. On May 30, 2016, the Company sought and obtained an Order approving a sale process in respect of the business of Endurance. By Order dated June 22, 2016, a revised sale process (the “**Sale Process**”) was approved by the Court after negotiation with the Lenders and the Interim Lender.
6. The Initial Order approved the retention of the Financial Advisor and confirmed the inclusion and priority of its fees in the Administration Charge. By Application of Appeal

filed June 17, 2016, the Lenders have sought leave to appeal these provisions of the Initial Order. The application for leave to appeal is scheduled to be heard on July 5, 2016.

7. Since the granting of the Initial Order, Endurance has taken steps to diligently advance its restructuring proceedings including the following:
 - (a) working with the Financial Advisor to commence and continue the Sale Process, including issuing the teaser document, preparing the virtual data room and contacting potential interested parties;
 - (b) ongoing communications with the Lenders and the Interim Lender in an attempt to keep them informed of the steps taken within these proceedings and to resolve any outstanding disputes; and
 - (c) continue to stabilize and operate the business operations of Endurance as a going concern.

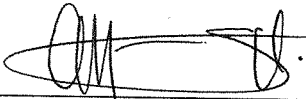
8. The Sale Process targets June 28, 2016 as the date upon which non-binding expressions of interest are to be provided to the Company and the Financial Advisor. The deadline for submitting binding offers is July 25, 2016 (the “**Binding Bid Deadline**”). Following the Binding Bid Deadline, the Company may continue negotiating terms with one or more bidders that have submitted binding offers. The proposed extension of the Stay Period will provide the Company with the necessary time to ascertain binding offers received in the Sale Process.

- 9. It is the Company's intention to seek an Order approving a key employee retention plan in the near future and is discussing same with the Monitor, the Lenders and the Interim Lenders.
- 10. The Company, with the assistance of the Monitor have prepared an updated cash flow forecast in respect of the proposed Stay Extension Period. The updated cash flow forecast demonstrates that the Company has sufficient liquidity, including pursuant to the Interim Funding, to fund its operations through the proposed Stay Extension Period.
- 11. The Monitor and the Interim Lender have expressed their support for the extension of the Stay Period to August 5, 2016.

PURPOSE OF THE AFFIDAVIT

- 12. I hereby swear this Affidavit in support of an Application for an Order to extend the Stay Period and for no other or improper purpose.

SWORN (OR AFFIRMED) BEFORE ME at)
 Calgary, Alberta, this 24th day of June, 2016.)



(Commissioner for Oaths in and for the)
 Province)
 of Alberta)

Alison Scott)
 Barrister and Solicitor)
 A Commissioner for Oaths/Notary Public)
 in and for the Province of Alberta)



(Signature)

STEVEN R. VANSICKLE

(Print Name)

PRINT NAME AND EXPIRY/LAWYER)
 /STUDENT-AT-LAW)